Branches of Public Sector Banks in foreign countries

1656. SHRI LEKHRAJ BACHANI: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of the Public Sector Banks presently operating in foreign countries;

(b) the number of them running in losses;

(c) the money these banks have to pay to Government of that country where they have their branch/branches; and

(d) the amount we are getting annually through foreign banks having branches in Indian cities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available.

Servicing of targeted sections by Multi-State Urban Co-operative Banks

1657. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government and RBI allows Multi-State Urban Co-operative Banks to function, grow and generally serve specific targeted sections;

(b) the number of such Multi-State Urban Co-operative Banks presently under the jurisdiction of the RBI;

(c) to what extent is RBI helping such banks to perform their duties better;

(d) the details of any encouragement given by RBI to such Co-operative banks presently in the country; and

(e) the demands of such banks pending with the RBI presently?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Multi-State Co-operative Banks are

functioning in more than one State and hence registered under Multi State Cooperative Societies Act, 2002. There are 35 Multi State Co-operative Banks registered under Multi State Co-operative Societies Act, 2002. RBI is extending all possible help to all the Urban Co-operative Banks (UCBs) including Multi State Cooperative Banks so as to grow them on sound and healthy lines.

(d) RBI has been adopting uniform policy approach towards both multi-state and non multi-state UCBs. However, the following initiatives have been taken by RBI with regard to multi-state UCBs in particular:—

(i) Strong scheduled multi-state UCBs are eligible to open on-site ATM and extension counters on their own without prior permission from RBI;

(ii) Extended time up to 31st May, 2005 for arriving at One-time Settlement with regard to hardcore Non-Performing Assets (NPAs);

(iii) Eligible banks meeting certain criteria are being permitted to float subsidiaries for undertaking business incidental to banking, etc.

(e) No specific demands from multi-state cooperative banks as a class has been received by RBI. However, requests from individual UCBs including multi-state UCBs are examined in the light of extant instructions.

Reduction in exposure limit for advances by Urban Co-operative Banks

1358. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has reduced the exposure limit for advances by Urban Co-operative Banks from 20 per cent to 15 per cent of capital funds in the case of individual borrowers;

(b) to what extent will this new policy help in creating liquidity for UCBs;

(c) whether RBI will also consider giving a one-time injection of funds to traditionally healthy UCBs; and